

Message Text

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PAGE 01 PARIS 19993 230923Z
ACTION IO-14

INFO OCT-01 CIAE-00 ICA-20 INR-10 NSAE-00 AID-05 EUR-12
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P 230827Z JUN 78
FM AMEMBASSY PARIS
TO SECSTATE WASHDC PRIORITY 3753

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NESCO

DEPT PASS TO TRSY: MARCIA FIELD
COPYRIGHT: BARBARA RINGER

E.O.11652: N/A
TAGS: UNESCO, PORG, OCON
SUBJECT: UNESCO/WIPO MEETING ON DOUBLE TAXATION OF
COPYRIGHT ROYALTIES

1. SUMMARY: MEETING VOTED TO ADOPT MULTILATERAL
CONVENTION OBLIGATING SIGNATORIES TO ELIMINATE OR LIMIT
DOUBLE TAXATION OF COPYRIGHT ROYALTIES. MODEL BILATERAL
AGREEMENT TO BE ANNEXED TO MULTILATERAL CONVENTION.
US AND MOST OTHER DEVELOPED COUNTRIES OPPOSED CONVENTION
FORM IN FAVOR OF RECOMMENDATION. USDEL RECOMMENDS
CONTINUED PRESENCE AND LOW-KEY PARTICIPATION BY US WHILE
ABSTAINING ON VOTES IN LINE WITH US POSITION THAT IT IS
UNLIKELY TO SIGN ANY SUCH CONVENTION.

2. DURING PAST WEEK UNESCO/WIPO MEETING HAS HELD FAIRLY
TECHNICAL DISCUSSIONS ON SUBSTANCE OF MULTILATERAL
INSTRUMENT TO ELIMINATE DOUBLE TAXATION OF COPYRIGHT
ROYALTIES. FORM OF INSTRUMENT BECAME A POINT OF
CONTROVERSY. US AND MOST OTHER DEVELOPED COUNTRIES
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PREFERRED RECOMMENDATION OF RESOLUTION WHILE DEVELOPING
AND SOCIALIST COUNTRIES PUSHED FOR BINDING CONVENTION
FORM. WHEN QUESTION OF FORM OF THE MULTILATERAL
INSTRUMENT CAME TO A VOTE, HUNGARIAN CHAIRMAN
AND UNESCO/WIPO SECRETARIAT ENDORSED CONVENTION FORM.
ALTHOUGH PRIOR DISCUSSION LARGELY NON-POLITICAL AND
POSITIONS TAKEN BY LDC'S IN INDIVIDUAL STATEMENTS WERE

NOT UNANIMOUS, FINAL VOTE WAS 27 FOR CONVENTION, 8
OPPOSED (FRG, AUSTRIA, CANADA, US, ITALY, JAPAN,
NETHERLANDS, SWITZERLAND) WITH 4 ABSTENTIONS (DENMARK,
FRANCE, PORTUGAL, UK).

3. MEETING WILL NOW FINISH SUBSTANTIVE DISCUSSIONS ON
MULTI:LAATERA, AND BEGIN DISCUSSIONS ON MODEL BILATERAL
TO BE ATTACHED TO MULTILATERAL CONVENTION. MOST
REMAINING DISCUSSIONS EXPECTED TO BE TECHNICAL ALTHOUGH
THE RELATIONSHIP BETWEEN SOURCE COUNTRY TAXATION AND
RESIDENCE COUNTRY TAXATION WILL CONTINUE TO CAUSE SOME
CONTROVERSY.

4. IN LIGHT OF US POSITION THAT IT IS UNLIKELY TO SIGN
THE RESULTING CONVENTION, USDEL RECOMMENDS THAT IT
CONTINUE LOW-KEY PARTICIPATION IN DISCUSSIONS, AND
ABSTAIN ON ANY VOTES. USDEL HAS TURNED DOWN POSITION
ON DRAFTING COMMITTEE FOR THIS REASON. US WILL REITERATE
ITS POSITION AS AND WHEN APPROPRIATE THAT THE PROBLEM OF
DOUBLE TAXATION OF COPYRIGHT ROYALTIES IS BEST HANDLED
IN A COMPREHENSIVE BILATERAL TAX TREATY AND THAT IN THE
CONTEXT OF SUCH A TREATY THE US IS PREPARED TO CONSIDER
PROVIDING ESPECIALLY GENEROUS RULES FOR THE TAXATION
OF COPYRIGHT ROYALTIES.

5. USDEL WILL PROCEED ON THIS BASIS UNLESS OTHERWISE
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MEETINGS, DOUBLE TAXATION, COPYRIGHTS, ROYALTIES
Control Number: n/a
Copy: SINGLE
Draft Date: 23 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: n/a
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Executive Order: N/A
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Expiration:
Film Number: D780261-1265
Format: TEL
From: PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780626/aaaaavyi.tel
Line Count: 96
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Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 957aa182-c288-dd11-92da-001cc4696bcc
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Original Classification: UNCLASSIFIED
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Review Content Flags:
Review Date: 29 mar 2005
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Review Exemptions: n/a
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SAS ID: 2227019
Secure: OPEN
Status: NATIVE
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TAGS: PORG, OCON, UNESCO
To: STATE
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vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/957aa182-c288-dd11-92da-001cc4696bcc
Review Markings:
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